National Debt Sinking Fund Amendment Bill 1989

Date Introduced: 24 May 1989
House: House of Representatives
Portfolio: Treasury

Digest of Bill

Purpose
To remove the Chief Justice of the High Court from membership of the National Debt Commission.

Background
The National Debt Sinking Fund Act 1966 (the Principal Act) provides for the redemption and repurchasing of Commonwealth and State debt. Under the Principal Act, the Commonwealth and States are required to make annual contributions to the National Debt Sinking Fund (the Fund). The operations of the Fund are supervised by the National Debt Commission (the Commission). The Commission consists of the Treasurer, the Chief Justice of the High Court, the Secretary to the Treasury, the Governor of the Reserve Bank, the Secretary to the Attorney-General's Department, and a representative of the States. In 1987–88, Commonwealth contributions to the Fund were $2.133 billion ($2.061 billion of which was received from the Consolidated Revenue Fund). Redemptions and repurchases of Commonwealth debt were $2.127 billion.¹ The Commonwealth and States are required, under the Financial Agreement Act 1976, to make certain contributions, in respect of States' debt. In 1987–88, the Commonwealth contributed to the Fund $50.084 million and the States $277.041 million. Redemptions and repurchases of State debt were $333.188 million.²

The amendment proposed by the Bill arises from a request of the Chief Justice that the Chief Justice's membership of the Commission end. The Chief Justice requested the amendment on the grounds that the activities of the Commission have no relationship to the responsibilities of the Chief Justice, and that a Chief Justice is normally unable to contribute any economic expertise to the Commission’s decisions.

Main Provisions
Clause 2 will remove the Chief Justice from membership of the Commission.

References
2. Ibid., p. 10.